

INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION

FINANCIAL STATEMENTS
WITH
SUPPLEMENTAL INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT

SEPTEMBER 30, 1999

00-FM-023

INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION

Table of Contents

	<u>Page</u>
OVERVIEW	
Introduction	1
Organization	1
Mission and Goals	1
Type and Number of Individuals Served by Programs	2
Programs	3
INDEPENDENT AUDITOR'S REPORT	7
APPENDIX A	12
FINANCIAL STATEMENTS AND NOTES TO FINANCIAL STATEMENTS	
Balance Sheet	14
Statement of Net Costs	15
Statement of Changes in Net Position	16
Statement of Budgetary Resources	17
Statement of Financing	18
Notes to the Financial Statements	19
SUPPLEMENTAL FINANCIAL AND MANAGEMENT INFORMATION	
Balance Sheet by Appropriation	30
Statement of Net Costs by Appropriation	31
Statement of Changes in Net Position by Appropriation	32
Statement of Budgetary Resources by Appropriation	33
Statement of Financing by Appropriation	34
Obligations by Program Activities	35
Construction in Progress	36
Appropriations	37
Offices and Functions	38

OVERVIEW STATEMENT

INTERNATIONAL BOUNDARY & WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
OVERVIEW
SEPTEMBER 30, 1999

INTRODUCTION

This report provides an assessment of the status of financial management within the International Boundary and Water Commission, United States and Mexico, U.S. Section (USIBWC) for the fiscal year ending September 30, 1999.

USIBWC operates under two congressional appropriations, the Salaries and Expenses Appropriation, a 1 year appropriation, and the Construction Appropriation, a no year appropriation. In addition, USIBWC receives funds from the Department of Energy - Western Area Power Administration for the operation and maintenance of the hydroelectric facilities at the Falcon Dam and Amistad Dam, and is continuing to receive reimbursements from the Environmental Protection Agency (EPA) for the execution of major border environmental related projects as a result of agreements reached in FY 1995. The financial data presented in this report include all accounts from the aforementioned appropriations and reimbursements.

ORGANIZATION

All activities performed by USIBWC relate to treaty obligations assumed by the United States. In general, activities relate to policy determinations by the President, the Secretary of State, and to authorizations by the Congress.

USIBWC has its headquarters in El Paso, Texas, and field offices in 12 locations along the U.S. boundary. The field offices have flood control, boundary preservation, and water accounting responsibilities. The international Amistad and Falcon Dams, located along the Rio Grande River, have power generation and water conservation functions. The Laredo, Texas; Nogales, Arizona; and San Ysidro, California; field offices also perform oversight tasks for the operations and maintenance of wastewater treatment.

MISSION AND GOALS

USIBWC is charged by a series of treaties and agreements between the United States and Mexico with the application, regulation, and exercise of the provisions of such agreements for the solution of water and boundary problems along the 1,952 mile boundary between the United States and Mexico. USIBWC operates under the provisions of 22 United States Code 277. The mission of USIBWC,

jointly with the Mexico Section, is to perform the following.

1. Accounting and distribution, between the two countries, of the waters of the boundary rivers
2. Operation of the international flood control projects along the boundary rivers
3. Operation of the international reservoirs for conservation, flood control, and regulation of Rio Grande River waters for the two countries
4. Improvement of the quality of the waters of international rivers and resolution of border sanitation problems
5. Development of hydroelectric power
6. Establishment and mapping of the boundary in the limitrophe section of the international rivers
7. Demarcation of the land boundary
8. Colorado River boundary preservation
9. Ensure compliance with environmental regulations for projects, either international or domestic
10. Planning and investigation/studies

TYPE AND NUMBER OF INDIVIDUALS SERVED BY PROGRAMS

The activities of USIBWC benefit U.S. citizens all along the U.S./Mexico border through the operations of its major projects.

1. Flood control benefits derived by the United States are located at the following sites.
 - Lower Rio Grande Valley of Texas
 - Presidio Valley of Texas
 - Middle Rio Grande (Amistad and Falcon International Dams)
 - El Paso, Texas, and Messilla Valley areas of New Mexico
 - San Ysidro/San Diego Valley in California
2. Electrical power is generated by the two international dams, Amistad Dam and Falcon Dam, located on the Rio Grande River, which also provides flood control and recreational benefits.

3. Improvements in sanitation are accomplished through the combined efforts of USIBWC, local communities, state governments, and Mexico, in San Ysidro and Calexico, California; Nogales, Arizona; and El Paso and Laredo, Texas.

PROGRAMS

Salaries and Expenses

Through its salaries and expenses (S&E) appropriation, USIBWC executes three major programs - administration, engineering, and operations and maintenance.

Administration entails the negotiation and supervision of joint projects with Mexico to solve international problems, overall control of the operations of USIBWC, formulation of policies and procedures, and financial and administrative management.

Engineering provides for the execution of the water resource functions, studies relating to international problems of a continuing nature, preliminary surveys and investigations to determine the need and feasibility of projects for the solution of international problems arising along the boundary, and compliance with United States environmental regulations, including the Clean Water Act, Resource Conservation and Recovery Act, National Environmental Policy Act, etc.

Operations and Maintenance includes USIBWC's portion of river channel and levee projects, dams, gaging stations, water quality control, projects, and boundary monuments and markers.

Construction

Through its construction appropriation, USIBWC implements a construction program in the areas of boundary preservation, flood control, and sanitation, which includes joint projects by both the United States and Mexican governments in accordance with treaties between the two countries. Major programs worked on during FY 1999 were the USIBWC Facilities Renovation Project, Colorado River Preservation Project, Rio Grande Canalization Project, and the American Canal Extension Project.

Reimbursement

USIBWC has the authority to earn and use certain reimbursements for work performed by USIBWC.

PROGRAMS - continued

Salaries and Expense

Reimbursements earned through the S&E appropriation in FY 1999 totaled \$2,096,418. Of this amount, \$1,000,433 was received from the Department of Energy - Western Area Power Administration, and for the operations and maintenance of the Amistad and Falcon Power Plants. The balance of \$1,095,985 was derived primarily from renting housing quarters, vehicle maintenance, operations and maintenance costs from Federal agencies and local municipalities, and payments received from the Mexican government for costs related to certain projects.

Construction

Reimbursements credited to the construction appropriation in FY 1999 in the amount of \$12,041,770 were for seven projects - Facilities Planning Project, El Paso Sustainable Water Project, Clean Rivers Assessment Project, INS Bridge Construction Project, Tijuana Sanitation Construction Project, Cordova Bridge Project and the American Canal Extension Project. The reimbursements came from the local communities of El Paso, Texas, and San Diego, California; the State of Texas, the Immigration and Naturalization Service, and the EPA.

EPA (Regions IV and IX) Reimbursement Projects

In FY 1995, the EPA and USIBWC reached agreement on the development of facilities planning, and the design of wastewater treatment and collection facilities for communities along the United States and Mexico border. The U.S./Mexican communities are Nogales, Arizona; Nogales, Sonora, Mexico; Mexicali, B.C., Mexico; Ciudad Acuna and Piedras Negras, Coahuila, Mexico; Reynosa, Tamaulipas, Mexico; and Nuevo Laredo and Matamoros, Tamaulipas, Mexico. Since FY 1995, EPA has made \$53.6 million available to USIBWC for the completion of these tasks.

Clean Rivers Program (CRP)

In FY 1999, the State of Texas contracted with USIBWC to implement the CRP for the Rio Grande River in its 1,254 mile international boundary section with the goal to maintain and improve the quality of water within the Rio Grande basin in Texas through the ongoing partnership with other agencies, regional entities, local governments, industry, and citizens. This watershed management approach identifies and evaluates water quality issues, establishes priorities for corrective actions, and works to implement those actions. Funds provided for CRP by the Texas Natural Resource Conservation Commission in FY 1999 totaled \$302,875.

A balance of \$146,939 was available at September 30, 1999, for work that will be completed in subsequent fiscal years. The program is expected to continue indefinitely.

PROGRAMS - continued

El Paso - Las Cruces Regional Sustainable Water Project

USIBWC serves as the lead Federal agency in conjunction with the El Paso Water Utilities/Public Service Board to prepare an environmental impact statement (EIS) for the El Paso Las Cruces Regional Sustainable Water Project. The EIS will analyze and evaluate the impacts of the project to provide a sustainable water supply for the El Paso - Las Cruces region. The project is being funded by the El Paso Water Utilities/Public Service Board. Funds provided to USIBWC in FY 1998 and FY 1999 totaled \$159,196. A balance of \$101,671 was available at September 30, 1999, for work that will be carried over into FY 2000.

Efficiency of Operations

In FY 1999, two Minutes were signed by the Mexican and U.S. Commissioners - Number 299, signed December 3, 1998; and Number 300, signed August 30, 1999.

In FY 1999, the total amount earned for leasing and licensing operations amounted to \$43,309. In addition to the actual revenue provided by these leases, there is the additional benefit of an estimated \$20,000 reduction of USIBWC's vegetative management cost resulting from the lessors being required to maintain the leased property in proper condition.

In FY 1999, USIBWC maintained 149 gaging stations at which 1,316 measurements were taken.

Amistad and Falcon Dams, the international dams and reservoirs, generated 93,097,000 kilowatt hours of power in FY 1999. A total of 2,494,740 cubic meters of water was stored in the reservoirs as of September 30, 1999.

In FY 1999, USIBWC personnel managed vegetative control on 17,073 acres, removed 308,381 cubic yards of material, placed 11,588 tons of riprap, and maintained 382 miles of levees and levee roadways in the river channel and levee projects.

S&E and Construction Appropriation Overtime Costs for FY 1999

	<u>Total Wages</u>	<u>Overtime Amount</u>	<u>% Overtime</u>
S&E	\$ 11,571,952	\$ 130,439	1.13%
Construction	<u>2,638,554</u>	<u>97,232</u>	3.69%

Total	<u>\$ 14,210,506</u>	<u>\$ 227,671</u>	1.60%
-------	----------------------	-------------------	-------

PROGRAMS - continued

Efficiency of Operations - continued

In FY 1999, USIBWC made the following payments.

	<u>Number of Payments</u>	<u>Amount</u>
Invoices	3,798	\$ 27,173,215
Lost Discounts	-	-
Late Charges	<u>3</u>	<u>1,139</u>
Total	<u>3,801</u>	<u>\$ 27,174,354</u>

Adequacy of Program Financing

The S&E appropriation has not increased appreciably in the last several years. During this time, USIBWC has had to absorb wage and price level increases while dealing with an increased workload in the area of sanitation, water (surface and groundwater) resource management, environmental and cultural resources compliance, testing and monitoring of water quality, investigations and planning, and operation and maintenance of wastewater treatment plants. Additional funding will be required to adequately operate and maintain the newly completed wastewater treatment plants.

The population growth of the Mexican border cities has resulted in a need for enhanced demarcation and updated mapping records of the boundary between the United States and Mexico. In FY 1992, USIBWC installed 58 new boundary markers west of Calexico, California, and in FY 1993, 14 markers were installed in the Sunland Park/Anapra, New Mexico, area. No new boundary markers have been installed since FY 1993. Future boundary demarcation efforts will require additional funding. The last recorded mapping effort was completed in the early 1980s; additional funding may be required to meet the binational agreement to map the boundary at least every 10 years.

In addition, limited funding continues to adversely affect maintenance efforts in a variety of areas, causes delays in meeting certain treaty obligations, and restricts the heavy equipment replacement program.

INDEPENDENT AUDITOR'S REPORT

To the United States Commissioner, International Boundary and Water Commission, United States and Mexico, United States Section:

We have audited the Balance Sheet of the International Boundary and Water Commission, United States and Mexico, United States Section (USIBWC) as of September 30, 1999, and have examined internal control over financial reporting in place as of September 30, 1999.

In our opinion, USIBWC's Balance Sheet as of September 30, 1999, is presented fairly in all material respects.

We found:

- C no material weaknesses in the internal controls over financial reporting, and
- C no material instances of noncompliance with selected provisions of applicable laws and regulations.

Each of these conclusions is discussed in more detailed below. This report also discusses the scope of our work.

BALANCE SHEET

In our opinion, USIBWC's Balance Sheet, including the notes thereto, present fairly, in all material respects, USIBWC's financial position as of September 30, 1999, in conformity with generally accepted accounting principles.

INTERNAL CONTROL

We considered USIBWC's internal control in order to determine our auditing procedures for

the purpose of expressing our opinion on the Balance Sheet and not to provide assurance on internal control. Consequently, we do not provide an opinion on internal controls.

The objectives of internal control are to provide management with reasonable, but not absolute, assurance that the following objectives are met:

- C transactions are properly recorded and accounted for to permit the preparation of reliable financial reports and to maintain accountability over assets;
- C funds, property, and other assets are safeguarded against loss from unauthorized acquisition, use, or disposition; and
- C transactions, including those related to obligations and costs, are executed in compliance with laws and regulations that could have a direct and material effect on the financial statements and other laws and regulations that the Office of Management and Budget (OMB), or USIBWC management have identified as being significant for which compliance can be objectively measured and evaluated.

Our consideration of internal control would not necessarily disclose all matters of internal control over financial reporting that might be reportable conditions. Under standards issued by the American Institute of Certified Public Accountants, reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgement, could adversely affect USIBWC's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Material weaknesses are reportable conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or irregularities in amounts, which would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We noted certain matters, discussed in the following paragraphs, involving internal control that we consider to be reportable conditions. However, none of the reportable conditions are believed to be a material weakness.

EDP System

- C Back-up tapes of the network (excludes the accounting system) are not stored off-site.
- C Back-ups of the accounting system are not done to an external medium.

Computer Security

- C Information system security is virtually nonexistent. USIBWC representatives have acknowledged that no formal security program plan or contingency plan has been developed.

Financial Management System

- C The Management Control Plan established in FY 1995 has not been revised and updated on an annual basis, and as a result vulnerability assessments and internal control evaluations are not being performed by the individual divisions.
- C A current financial management system directive has not been developed that provides guidance and assigns responsibilities requiring the establishment of a single integrated financial management system.
- C A formal follow-up system has not been developed to record and track recommendations and projected corrective actions.
- C A system has not been developed to track material weaknesses and corrective action.

We noted certain other internal control issues that we have reported to USIBWC's management in a separate letter dated February 23, 2000.

COMPLIANCE WITH LAWS AND REGULATIONS

USIBWC's management is responsible for complying with laws and regulations applicable to USIBWC. As part of obtaining reasonable assurance about whether the Balance Sheet is free of material misstatement, we performed tests of USIBWC's compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of Balance Sheet amounts. However, the objective of our audit of the Balance Sheet, including our tests of compliance with selected provisions of applicable laws and regulations, was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Material instances of noncompliance are failures to follow requirements or violations of prohibitions in statutes and regulations, which cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the financial statements or that sensitivity warrants disclosure thereof.

The results of our tests of compliance with the laws and regulations described in the preceding paragraph did not disclose instances of noncompliance with laws and regulations that are required to be reported under *Government Auditing Standards*.

We noted certain instances of noncompliance that we have reported to USIBWC's management in a separate letter dated February 23, 2000.

RESPONSIBILITIES AND METHODOLOGY

USIBWC management has the responsibility for:

- C preparing the Balance Sheet in conformity with generally accepted accounting principles;
- C establishing and maintaining effective internal control; and
- C complying with applicable laws and regulations.

Our responsibility is to express an opinion on the Balance Sheet based on our audit. Generally accepted auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the Balance Sheet is free of material misrepresentation and presented fairly in accordance with generally accepted accounting principles. We considered USIBWC's internal control for the purpose of expressing our opinion on the Balance Sheet and not to provide an opinion on internal control. We are also responsible for testing compliance with selected provisions of applicable laws and regulations that may materially affect the Balance Sheet.

In order to fulfill these responsibilities, we

- C examined, on a test basis, evidence supporting the amounts and disclosures in the Balance Sheet;
- C assessed the accounting principles used and significant estimates made by management;
- C evaluated the overall presentation of the Balance Sheet;
- C obtained an understanding of the internal controls over financial reporting;
- C tested compliance with selected provisions of laws and regulations that may materially affect the Balance Sheet; and
- C performed other procedures as we considered necessary in the circumstances.

Our audit was conducted in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Bulletin 98-08. We believe that our audit provides a reasonable basis for our opinion.

The *Overview* and *Supplemental Financial and Management Information* sections contain a wide range of data. Professional standards require the auditor to read this information and consider whether this information, or the manner of its presentation, is materially inconsistent with the information, or the manner of its presentation, in the Balance Sheet. If the auditor concludes that there is a material inconsistency, the auditor should determine whether the Balance Sheet or the other information require revision. We found no inconsistencies between data contained in the *Overview* and *Supplemental Financial and Management Information* and corresponding data contained in the Balance Sheet.

This report is intended for the information of the Inspector General of the U.S. Department of State and the United States Commissioner and management of the International Boundary and Water Commission, United States and Mexico, United States Section. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Comments by USIBWC's management on this report are presented as Appendix A.

Leonard G. Birnbaum and Company

Alexandria, Virginia
February 23, 2000

FINANCIAL STATEMENTS

INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
BALANCE SHEET
AS OF SEPTEMBER 30, 1999

ASSETS

Intragovernmental:

Fund Balance with Treasury (Note 2)	\$ 19,646,308
Accounts Receivable, Net (Note 4)	<u>348,727</u>

Total Intragovernmental	<u>19,995,035</u>
-------------------------	-------------------

Cash and Other Monetary Assets (Note 3)	16,600
Accounts Receivable, Net (Note 4)	14,612,384
Advances	35,814
Property, Plant and Equipment, Net (Note 5)	<u>345,640,320</u>

Total Assets	<u>\$ 380,300,153</u>
---------------------	------------------------------

LIABILITIES

Intragovernmental:

Contract Accruals	\$ 146,981
Operations and Maintenance - Colorado River Levees	24,846
Accrued Payroll	150,610
Accrued Workers' Compensation (Note 6)	389,023
Advances on Contracts and Grants (Note 7)	<u>4,251,685</u>

Total Intragovernmental	<u>4,963,145</u>
-------------------------	------------------

Disbursements in Transit	184,370
Contract Accruals	2,181,165
Contract Holdbacks	241,131
Advances	248,611
Accrued Payroll	663,408
Payables to Mexico	37,082
Accrued Annual Leave (Note 6)	1,287,817
Contingent Liabilities (Note 9)	<u>3,700,000</u>

Total Liabilities

13,506,729

NET POSITION

Unexpended Appropriations (Note 8)	15,146,013
Cumulative Results of Operations	<u> </u>

The accompanying notes are an integral part of the financial statements.

351,647,411

Total Net Position

366,793,424

Total Liabilities & Net Position

\$ 380,300,153

The accompanying notes are an integral part of the financial statements.

INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
STATEMENT OF NET COSTS (UNAUDITED)
AS OF SEPTEMBER 30, 1999

PROGRAM COSTS

Operating Expenses (Note 11)	\$ 30,410,348
Operating Expenses, Intragovernmental (Note 11)	2,631,904
Benefits Expenses (Note 11)	<u>2,155,225</u>
Subtotal	35,197,477
Depreciation	3,840,194
Accrued Annual Leave	279,101
Workers Compensation	97,330
Accrued Pensions Costs	998,627
Loss on Disposition of Equipment	<u>128,429</u>

Total Program Costs	<u>40,541,158</u>
----------------------------	-------------------

LESS EARNED REVENUE (Note 12)

Operation and Maintenance Wastewater Treatment Plants	(1,543,567)
Power Plant Operations	(1,000,433)
Quarters Rental	(104,172)
Quarters Rental - Intragovernmental	(24,999)
Other Services Rendered to Mexico	(109,761)
Leases/Licenses	(46,498)
Shop Operations	(33,893)
Other	(12,297)
Other, Intragovernmental	(41,787)
Facilities Planning Projects - EPA	(5,955,996)
Tijuana Sanitation Project - EPA	(4,054,469)
Bridges Construction Project - INS	(1,050,319)
Cordova Bridge Project - Mexico	(535,873)
Clean Rivers Project - Texas	(155,935)
American Canal Ext. Project - El Paso	(133,605)
Tijuana Sanitation Project - San Diego	(99,222)
Sustainable Water Project - El Paso	<u>(56,351)</u>

The accompanying notes are an integral part of the financial statements.

Total Earned Revenue	<u>(14,959,177)</u>
-----------------------------	---------------------

NET COSTS OF OPERATIONS	<u><u>\$ 25,581,981</u></u>
--------------------------------	-----------------------------

The accompanying notes are an integral part of the financial statements.

INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
STATEMENT OF CHANGES IN NET POSITION (UNAUDITED)
AS OF SEPTEMBER 30, 1999

Net Costs of Operations	\$ (25,581,981)
Financing Sources (Other than Exchange Revenue)	
Appropriations Used	34,597,922
Imputed Financing	998,627
Transfers Out	<u>(2,808,548)</u>
Net Results of Operations	7,206,020
Prior Period Adjustments, Net (Note 10)	<u>(11,951,210)</u>
Net Change in Cumulative Results	(4,745,190)
Decrease in Unexpended Appropriations	<u>(10,699,594)</u>
Change in Net Position	(15,444,784)
Net Position - Beginning of Year	<u>382,238,208</u>
Net Position - End of Year	<u><u>\$ 366,793,424</u></u>

The accompanying notes are an integral part of the financial statements.

INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
STATEMENT OF BUDGETARY RESOURCES (UNAUDITED)
AS OF SEPTEMBER 30, 1999

BUDGETARY RESOURCES:

Budget Authority	\$ 25,460,000
Unobligated Balance	8,605,695
Spending Authority from Collections	11,622,620
Adjustments	<u>(103,336)</u>

Total Budgetary Resources	<u>\$ 45,584,979</u>
----------------------------------	-----------------------------

STATUS OF BUDGETARY RESOURCES:

Obligations Incurred	\$ 37,694,001
Unobligated Balance Available	7,657,059
Unobligated Balance Not Available	<u>233,919</u>

Total, Status of Budgetary Resources	<u>\$ 45,584,979</u>
---	-----------------------------

OUTLAYS:

Obligations Incurred	\$ 37,694,001
Less: Spending Authority From Offsetting Collections and Adjustments	(11,701,243)
Obligated Balance, Net - Beginning of Year	27,815,244
Less: Obligated Balance, Net - End of Year	<u>(11,003,002)</u>

Total Outlays	<u>\$ 42,805,000</u>
----------------------	-----------------------------

The accompanying notes are an integral part of the financial statements.

INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
STATEMENT OF FINANCING (UNAUDITED)
AS OF SEPTEMBER 30, 1999

Obligations and Nonbudgetary Resources:

Obligations Incurred	\$ 37,694,001
Less: Spending Authority from Offsetting Collections and Adjustments	(11,701,243)
Imputed Financing	855,483
Transfers Out	(2,808,548)
Exchange Revenue Not in Budget	<u>(145,181)</u>
Total Obligations as Adjusted and Nonbudgetary Resources	<u>23,894,512</u>

Resources That Do Not Fund Net Costs of Operations :

Change in Amount of Goods, Services, and Benefits Ordered but Not Yet Received (Net Increase)	599,906
Costs Capitalized on Balance Sheet (Increase)	(4,601,709)
Less: Financing Sources that Fund Costs Of Prior Periods	<u>-</u>
Total Resources That Do Not Fund Net Costs of Operations	<u>(4,001,803)</u>

Costs That Do Not Require Resources:

Depreciation	3,840,194
Loss on Disposition of Assets	<u>128,429</u>
Total Costs That Do Not Require Resources	<u>3,968,623</u>

Financing Resources Yet to Be Provided	<u>1,720,649</u>
---	-------------------------

Net Costs of Operations	<u><u>\$ 25,581,981</u></u>
--------------------------------	------------------------------------

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

INTERNATIONAL BOUNDARY & WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Presentation

The accompanying financial statements have been prepared to report the financial position and results of operations of the International Boundary and Water Commission United States and Mexico, U.S. Section (USIBWC). The financial statements are presented in a format similar to the form and content requirements contained in Office of Management and Budget (OMB) Bulletin 97-01, *Form and Content of Agency Financial Statements*, as amended. OMB Bulletin 97-01 defines the form and content for annual financial statements that are required to be submitted to the director of OMB. The financial statements presented herein are in addition to the financial reports prepared by USIBWC in accordance with OMB and U.S. Department of Treasury directives to monitor and control the status and use of budgetary resources.

The financial statements have been prepared from USIBWC's books and records, and in accordance with USIBWC's accounting policies, of which the significant policies are summarized in this Note. USIBWC's accounting policies follow generally accepted accounting principles (GAAP). GAAP for Federal entities are the standards prescribed by the Federal Accounting Standards Advisory Board, which is designated as the official accounting standards-setting body of the Federal Government by the American Institute of Certified Public Accountants.

b. Reporting Entity

The International Boundary and Water Commission consists of two Sections, a United States Section and a Mexican Section, each reporting to its respective government's designated foreign affairs entity. USIBWC is charged by a series of treaties between the United States and Mexico with the application, regulation, and exercise of the rights and obligations that the two governments have jointly assumed for the solution of boundary and water problems. The financial statements include the accounts of all funds under USIBWC's control.

INTERNATIONAL BOUNDARY & WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

c. Basis of Accounting

Transactions are recorded on an accrual accounting basis and a budgetary basis. Under the accrual basis, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates compliance with legal constraints and controls over the use of Federal funds.

d. Revenue and Other Financing Sources

USIBWC receives most of the funding needed to support its programs through appropriations from the U.S. Government. USIBWC receives both annual and no-year appropriations that may be used, within statutory limits, for operating and capital expenditures, primarily for equipment and construction projects. Other amounts are obtained through reimbursements for services performed for other Federal agencies, state and local governments, and the Mexican Section.

e. Fund Balances with Treasury and Cash

USIBWC does not maintain cash in commercial bank accounts. Cash receipts and disbursements are processed by the U.S. Treasury. Fund Balances with Treasury and Cash are primarily appropriated funds that are available to pay current liabilities and finance authorized purchase and contractual commitments. Cash represents balances held outside the U.S. Treasury by imprest fund cashiers for USIBWC.

f. Property and Equipment

The land, buildings and equipment, and ADP software are capitalized at cost, if the initial cost is \$5,000 or more. Expenditures that increase the useful life of the assets are capitalized. Normal repairs and maintenance costs are expensed when purchased.

INTERNATIONAL BOUNDARY & WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

g. Liabilities

Liabilities represent monies or other resources that are likely to be paid as the result of a transaction or event that has already occurred. However, no liability can be paid by USIBWC absent an appropriation. Liabilities for which an appropriation has not been enacted are, therefore, classified as unfunded and there is no certainty that the appropriation will be enacted. Also, liabilities arising from other than contracts can be abrogated by the Federal Government, acting in its sovereign capacity.

h. Accrued Liabilities

Liabilities are accrued for personnel compensation, services and/or supplies, and materials received in the fiscal year, which were not paid at the end of the fiscal year.

i. Annual, Sick, and Other Leave

Annual leave is accrued as it is earned and the accrual is reduced as leave is taken. Each year, the balance in the accrued annual leave account is adjusted to reflect current pay rates. To the extent current or prior year appropriations are not available to fund annual leave earned, but not taken, financing will be obtained from future funding sources. Sick leave and other types of nonvested leave are expensed as taken.

j. Retirement Plans

USIBWC's employees participate in the Civil Service Retirement System (CSRS), to which the USIBWC makes matching contributions equal to seven percent of pay. USIBWC does not report CSRS assets, accrued plan benefits, or unfunded liabilities, if any, applicable to its employees. Reporting such amounts is the responsibility of the U.S. Office of Personnel Management.

INTERNATIONAL BOUNDARY & WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

j. Retirement Plans - continued

On January 1, 1987, the Federal Employees Retirement System (FERS) became effective under Public Law 99-335. Most employees hired after December 31, 1983, are automatically covered by FERS and Social Security (FICA). Employees hired prior to January 1, 1984, had the option to join FERS and Social Security or remain in CSRS. A primary feature of FERS is that it offers a savings plan that automatically contributes one percent of pay and matches any employee contribution up to an additional four percent of pay. For employees hired after December 31, 1983, USIBWC also contributes the employer's matching share for Social Security.

2. FUND BALANCE WITH TREASURY

A summary of the fund balances with the U.S. Treasury as of September 30, 1999, is as follows.

Salaries & Expenses Appropriation	\$ 4,966,618
Construction Appropriation	10,179,395
Advances from Federal and State Agencies	<u>4,500,295</u>
Total	<u>\$ 19,646,308</u>

3. CASH AND OTHER MONETARY ASSETS

As of September 30, 1999, a total of \$16,600 is held by Imprest Fund Cashiers at the following offices.

- Headquarters in El Paso
- American Dam Field Office
- Presidio Field Office
- Amistad Dam Field Office
- Laredo Field Office
- Falcon Dam Field Office
- Mercedes Field Office
- Nogales Field Office
- Yuma Field Office

INTERNATIONAL BOUNDARY & WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
NOTES TO THE FINANCIAL STATEMENTS

- Calexico Field Office
- San Ysidro Field Office
- RGACE Construction Office

4. ACCOUNTS RECEIVABLE

Accounts receivable consists primarily of amounts due from state, local, and foreign governments and are comprised of the following as of September 30, 1999.

Intragovernmental Receivables

Current

Accounts Receivable-Unbilled	\$ 348,727
------------------------------	------------

Governmental Receivables

Current

Accounts Receivable-Billed	879,801
----------------------------	---------

Accounts Receivable-Unbilled	92,583
------------------------------	--------

Long Term

Accounts Receivable-Unbilled	<u>13,640,000</u>
------------------------------	-------------------

Total	<u><u>\$ 14,961,111</u></u>
-------	-----------------------------

As of September 30, 1999, Mexico owed USIBWC the following amounts, which are included above.

Construction Costs for the Tijuana Sanitation Plant	\$ 13,440,000
---	---------------

Construction Costs for the Nogales Wastewater Treatment Plant	300,000
---	---------

O&M Costs of the Nogales Wastewater Treatment Plant	346,038
---	---------

O&M Costs of the Tijuana Sanitation Plant	300,965
---	---------

O&M Costs of the Yuma Levees	24,846
------------------------------	--------

Installation and Removal of Anzalduas Stoplogs	2,135
--	-------

Reimbursement of Travel Costs	<u>8,043</u>
-------------------------------	--------------

Total	<u><u>\$ 14,422,027</u></u>
-------	-----------------------------

INTERNATIONAL BOUNDARY & WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY AND EQUIPMENT, NET

Property and equipment as of September 30, 1999, consisted of the following.

<u>Classes of Fixed Assets</u>	<u>Acquisition Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$ 49,283,769	\$ -	\$ 49,283,769
Structures, Facilities, and Leasehold Improvements	198,046,854	(84,715,139)	113,331,715
ADP Software	194,912	(194,912)	-
Equipment	10,308,679	(7,822,973)	2,485,706
Construction in Progress	<u>180,539,130</u>	<u>-</u>	<u>180,539,130</u>
Total	<u>\$ 438,373,344</u>	<u>\$ (92,733,024)</u>	<u>\$ 345,640,320</u>

Depreciation and amortization of property and equipment is calculated on a straight-line basis. Leasehold improvements are amortized over the shorter of the asset's useful life or the lease term. A table of the ranges of depreciable and amortizable lives of the USIBWC's assets follows.

<u>Category</u>	<u>Depreciable or Amortizable Life</u>
Structures and Facilities	20 to 100 Years
Transportation	10 Years
Computer Hardware 10 Years	
Computer Software	5 Years
Tools, Work, and Office Equipment 5 Years	
Stores and Shop Equipment	25 Years

6. OTHER LIABILITIES

The following liabilities are not covered by budgetary resources.

Intragovernmental:

Accrued Workers' Compensation \$ 389,023

Governmental:

INTERNATIONAL BOUNDARY & WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
NOTES TO THE FINANCIAL STATEMENTS

Accrued Annual Leave	<u>1,287,817</u>
Total	<u>\$ 1,676,840</u>
7. ADVANCES	

Advances represent funds received by various Federal agencies, and local and state governments for projects being carried out by USIBWC that were not expended as of September 30, 1999. As of September 30, 1999, the undisbursed balances of advances consisted of the following.

Project

Facilities Planning - Region 6	\$ (3,381,576)
Facilities Planning - Region 9	2,749,662
Tijuana Sanitation	5,213,564
Industrial Waste Discharge	21,755
Ground Water Monitoring	(7,238)
INS Bridge Construction	(344,482)
El Paso - Las Cruces Sustainable Water	101,671
Clean Rivers	<u>146,940</u>
Total	<u>\$ 4,500,296</u>

8. UNEXPENDED APPROPRIATIONS

Unexpended Appropriations include the amount of unobligated appropriations and undelivered orders outstanding for Congressional appropriations provided. As these accounts incur obligations, the available balance of the appropriations is reduced. Unobligated balances are the amount of appropriations or other authority remaining after deducting cumulative obligations. Undelivered orders represent the amount of obligations incurred for goods or services ordered but not yet received. Unexpended Appropriations at September 30, 1999, is summarized below.

Unexpended Appropriations
Unobligated

INTERNATIONAL BOUNDARY & WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
NOTES TO THE FINANCIAL STATEMENTS

Available	\$ 7,644,385
Unavailable	444,668
Undelivered Orders	<u>7,056,960</u>
Total	<u>\$ 15,146,013</u>

INTERNATIONAL BOUNDARY & WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
NOTES TO THE FINANCIAL STATEMENTS

9. CONTINGENCIES

USIBWC is a party to various legal claims and environmental suits. In the opinion of management and legal counsel, the ultimate resolution of these claims will not materially affect the financial position or results of operations of USIBWC.

10. PRIOR PERIOD ADJUSTMENTS

The prior period adjustments are due to (1) a (\$13.7) million adjustment reversal of accounts payable established for amounts owed by Mexico as its share of the construction costs of the Nogales International Waste Treatment Plant and Tijuana Sanitation Plant payable to the U.S. Treasury as miscellaneous receipts, and (2) a \$25.7 million adjustment for amounts previously reported as construction-in-progress that should have been expensed.

	S&E <u>Appropriation</u>	Construction <u>Appropriation</u>	<u>Total</u>
Net Position, Beginning Balance	\$ 168,197,664	\$ 214,040,544	\$ 382,238,208
Prior Period Adjustments, Net	<u>-</u>	<u>(11,951,210)</u>	<u>(11,951,210)</u>
Net Position, Revised Beginning Balance	<u>\$168,197,664</u>	<u>\$202,089,334</u>	<u>\$370,286,998</u>

11. PROGRAM OR OPERATING EXPENSES

The following is a summary of USIBWC's program and operating expenses for the year ended September 30, 1999.

Operating Expenses by Object Classification

Personnel Services and Benefits	\$ 12,169,721
Travel and Transportation	397,218
Rent, Communications, and Utilities	1,591,843
Printing and Reproduction	13,398
Contractual Services	13,598,872
Supplies and Materials	657,134
Equipment (Expenses)	2,206,625
Grants, Subsidies, and Contributions	<u>4,562,666</u>
Total	<u>\$ 35,197,477</u>

INTERNATIONAL BOUNDARY & WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
NOTES TO THE FINANCIAL STATEMENTS

12. REVENUES AND FINANCING SOURCES

For the year ended September 30, 1999, revenues from services provided and other revenues and financial sources consisted of the following.

Revenue Source	
EPA for the construction of the Tijuana Sanitation Project	\$ 4,054,469
EPA for the Facilities Planning Project - Region 6	3,378,163
EPA for the Facilities Planning Project - Region 9	2,547,464
INS for the Bridges Construction Project	1,050,319
DOE for the O&M of power plants	1,000,433
Mexico for the O&M of the Tijuana Sanitation Plant	868,056
Mexico for the construction of the Cordova Bridge Project	535,873
Mexico for the O&M of the Nogales Sanitation Plant	376,038
City of Nogales for O&M of the Nogales Sanitation Plant	299,473
State of Texas for the Clean River Project	155,935
City of El Paso for the American Canal Extension Project	133,605
City of San Diego for the Tijuana Sanitation Project	99,222
Government employees for rental of quarters	80,219
Mexico for the purchase of equipment	63,121
City of El Paso for the Sustainable Water Project	56,351
Leases/Licenses/Water Bulletins/Maps/FOIA Requests	46,498
Bureau of Reclamation for O&M at Wellton Mohawk Drain	41,787
GSA for maintenance of GSA vehicles	33,893
EPA for the Ground Water Monitoring Project	30,369
Customs Service for rental of quarters	24,999
Mexico for O&M of Colorado River levees	24,846
Teachers for rental of quarters	23,953
Mexico for the purchase of plane tickets	19,659
Lower Rio Grande Water Committee for O&M at Morillo Drain	8,097
Hildago County for O&M of gaging stations	3,600
Mexico for O&M of Anzalduas Stoplogs	2,135
BECC for publications in Federal Register	<u>600</u>
Total	<u><u>\$ 14,959,177</u></u>

SUPPLEMENTAL FINANCIAL
AND
MANAGEMENT INFORMATION

INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
BALANCE SHEET BY APPROPRIATION
AS OF SEPTEMBER 30, 1999

	<u>Salaries and Expenses</u>	<u>Construction</u>	<u>Total</u>
ASSETS			
Intragovernmental:			
Fund Balance with Treasury	\$ 4,966,618	\$ 14,679,690	\$ 19,646,308
Accounts Receivable, Net	<u>4,245</u>	<u>344,482</u>	<u>348,727</u>
Total Intragovernmental	<u>4,970,863</u>	<u>15,024,172</u>	<u>19,995,035</u>
Cash and Other Monetary Assets	16,600	-	16,600
Accounts Receivable, Net	809,755	13,802,629	14,612,384
Advances	30,935	4,879	35,814
Property, Plant, and Equipment, Net	<u>345,640,320</u>	<u>163,412,477</u>	<u>182,227,843</u>
Total Assets	<u><u>\$ 169,240,630</u></u>	<u><u>\$ 211,059,523</u></u>	<u><u>\$ 380,300,153</u></u>
LIABILITIES			
Intragovernmental:			
Contract Accruals	\$ 123,074	\$ 23,907	\$ 146,981
O&M - Colorado River Levees	24,846	-	24,846
Accrued Payroll	138,264	12,346	150,610
Accrued Workers Compensation		378,577	10,446
389,023			
Advances	<u>-</u>	<u>4,251,685</u>	<u>4,251,685</u>
Total Intragovernmental	<u>664,761</u>	<u>4,298,384</u>	<u>4,963,145</u>
Disbursements in Transit	130,238	54,132	184,370
Contract Accruals	440,852	1,740,313	2,181,165
Contract Holdbacks	-	241,131	241,131
Advances	-	248,611	248,611
Accrued Payroll	609,026	54,382	663,408
Payables to Mexico	37,082	-	37,082
Accrued Annual Leave	1,200,119	87,698	1,287,817
Contingent Liabilities	<u>-</u>	<u>3,700,000</u>	<u>3,700,000</u>
Total Liabilities	<u>3,082,078</u>	<u>10,424,651</u>	<u>13,506,729</u>

The accompanying notes are an integral part of the financial statements.

NET POSITION

Unexpended Appropriations	4,966,618	10,179,395	15,146,013
Cumulative Results of Operations	<u>161,191,934</u>	<u>190,455,477</u>	<u>351,647,411</u>
Total Net Position	<u>166,158,552</u>	<u>200,634,872</u>	<u>366,793,424</u>
Total Liabilities & Net Position	<u>\$ 169,240,630</u>	<u>\$ 211,059,523</u>	<u>\$ 380,300,153</u>

The accompanying notes are an integral part of the financial statements.

INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
STATEMENT OF NET COSTS BY APPROPRIATION (UNAUDITED)
AS OF SEPTEMBER 30, 1999

	<u>Salaries and Expenses</u>	<u>Construction</u>	<u>Total</u>
PROGRAM COSTS			
Operating Expenses	\$ 19,119,844	\$ 11,290,504	\$ 30,410,348
Operating Expenses, Intragovt.	1,650,122	981,782	2,631,904
Benefits Expenses	<u>2,155,225</u>	<u>-</u>	<u>2,155,225</u>
Subtotal	22,925,191	12,272,286	35,197,477
Depreciation	3,737,511	102,683	3,840,194
Accrued, Annual Leave	279,101	-	279,101
Workers Compensation	97,330	-	97,330
Accrued Pensions Costs	927,055	71,572	998,627
Loss on Disposition of Equipment	<u>104,794</u>	<u>23,635</u>	<u>128,429</u>
Total Program Costs	<u>28,070,982</u>	<u>12,470,176</u>	<u>40,541,158</u>
LESS EARNED REVENUE			
O&M Wastewater Treatment Plants (1,543,567)		(1,543,567)	-
Power Plant Operations	(1,000,433)	-	(1,000,433)
Quarters Rental	(104,172)	-	(104,172)
Quarters Rental - Intragovernmental (24,999)		(24,999)	-
Other Services Rendered to Mexico (109,761)		(109,761)	-
Leases/Licenses	(46,498)	-	(46,498)
Shop Operations	(33,893)	-	(33,893)
Other	(12,297)	-	(12,297)
Other, Intragovernmental	(41,787)	-	(41,787)
Facilities Planning Projects - EPA	-	(5,955,996)	(5,955,996)
Tijuana Sanitation Project - EPA	-	(4,054,469)	(4,054,469)
Bridges Construction Project - INS	-	(1,050,319)	(1,050,319)
Cordova Bridge Project - Mexico	-	(535,873)	(535,873)
Clean Rivers Project - Texas	-	(155,935)	(155,935)
American Canal Ext. Project - El Paso	-	(133,605)	(133,605)
Tijuana Sanitation Project - San Diego	-	(99,222)	(99,222)
Sustainable Water Project - El Paso	<u>-</u>	<u>(56,351)</u>	<u>(56,351)</u>

The accompanying notes are an integral part of the financial statements.

Total Earned Revenue	<u>(2,917,407)</u>	<u>(12,041,770)</u>	<u>(14,959,177)</u>
NET COSTS OF OPERATIONS	<u>\$ 25,153,575</u>	<u>\$ 428,406</u>	<u>\$ 25,581,981</u>

The accompanying notes are an integral part of the financial statements.

INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
STATEMENT OF CHANGES IN NET POSITION BY APPROPRIATION (UNAUDITED)
AS OF SEPTEMBER 30, 1999

	<u>Salaries and Expenses</u>	<u>Construction</u>	<u>Total</u>
Net Costs of Operations	\$ (25,153,575)	\$ (428,406)	\$ (25,581,981)
Financing Sources (Other than Exchange Revenue)			
Appropriations Used	22,494,919	12,103,003	34,597,922
Imputed Financing	927,055	71,572	998,627
Transfers Out	<u>(78,548)</u>	<u>(2,730,000)</u>	<u>(2,808,548)</u>
Net Results of Operations	(1,810,149)	9,016,169	7,206,020
Prior Year Adjustments, Net	<u>-</u>	<u>(11,951,210)</u>	<u>(11,951,210)</u>
Net Change in Cumulative Results	(1,810,149)	(2,935,041)	(4,745,190)
Decrease in Unexpended Appropriations	<u>(228,963)</u>	<u>(10,470,631)</u>	<u>(10,699,594)</u>
Change in Net Position	(2,039,112)	(13,405,672)	(15,444,784)
Net Position - Beginning of Year	<u>168,197,664</u>	<u>214,040,544</u>	<u>382,238,208</u>
Net Position - End of Year	<u><u>\$ 166,158,552</u></u>	<u><u>\$ 200,634,872</u></u>	<u><u>\$ 366,793,424</u></u>

The accompanying notes are an integral part of the financial statements.

INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
STATEMENT OF BUDGETARY RESOURCES BY APPROPRIATION (UNAUDITED)
AS OF SEPTEMBER 30, 1999

	<u>Salaries and Expenses</u>	<u>Construction</u>	<u>Total</u>
BUDGETARY RESOURCES:			
Budget Authority	\$ 19,521,000	\$ 5,939,000	\$ 25,460,000
Unobligated Balance	337,255	8,268,440	8,605,695
Spending Authority from Collections		2,096,418	9,526,202
11,622,620			
Adjustments	<u>(103,336)</u>	<u>-</u>	<u>(103,336)</u>
Total Budgetary Resources	<u>\$ 21,851,337</u>	<u>\$ 23,733,642</u>	<u>\$ 45,584,979</u>
STATUS OF BUDGETARY RESOURCES:			
Obligations Incurred	\$ 21,604,743	\$ 16,089,258	\$ 37,694,001
Unobligated Balance Available	12,675	7,644,384	7,657,059
Unobligated Balance Not Available	<u>233,919</u>	<u>-</u>	<u>233,919</u>
Total, Status of Budgetary Resources	<u>\$ 21,851,337</u>	<u>\$ 23,733,642</u>	<u>\$ 45,584,979</u>
OUTLAYS:			
Obligations Incurred	\$ 21,604,743	\$ 16,089,258	\$ 37,694,001
Less: Spending Authority From Offsetting			
Collections and Adjustments	(2,175,041)	(9,526,202)	(11,701,243)
Obligated Balance, Net -			
Beginning of Year	4,808,263	23,006,981	27,815,244
Less: Obligated Balance, Net -			
End of Year	<u>(3,994,605)</u>	<u>(7,008,397)</u>	<u>(11,003,002)</u>
Total Outlays	<u>\$ 20,243,360</u>	<u>\$ 22,561,640</u>	<u>\$ 42,805,000</u>

The accompanying notes are an integral part of the financial statements.

INTERNATIONAL BOUNDARY AND WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION
STATEMENT OF FINANCING BY APPROPRIATION (UNAUDITED)
AS OF SEPTEMBER 30, 1999

	<u>Salaries and Expenses</u>	<u>Construction</u>	<u>Total</u>
Obligations and			
Nonbudgetary Resources:			
Obligations Incurred	\$ 21,604,743	\$ 16,089,258	\$ 37,694,001
Less: Spending Authority from Offsetting			
Collections and Adjustments	(2,175,041)	(9,526,202)	(11,701,243)
Imputed Financing	927,055	(71,572)	855,483
Transfers Out	(78,548)	(2,730,000)	(2,808,548)
Exchange Revenue Not in Budget	<u>(145,181)</u>	<u>-</u>	<u>(145,181)</u>
Total Obligations as Adjusted			
and Nonbudgetary Resources	<u>20,133,028</u>	<u>3,761,484</u>	<u>23,894,512</u>
Resources That Do Not Fund Net			
Costs of Operations :			
Change in Amount of Goods, Services, and			
Benefits Ordered but Not Yet Received			
(Net Increase)	1,081,380	(481,474)	599,906
Costs Capitalized on Balance Sheet			
(Increase)	(320,958)	(4,280,751)	(4,601,709)
Less: Financing Sources that Fund Costs			
Of Prior Periods	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources That Do Not Fund			
Net Costs of Operations	<u>760,422</u>	<u>(4,762,225)</u>	<u>(4,001,803)</u>
Costs That Do Not Require Resources:			
Depreciation	3,737,511	102,683	3,840,194
Loss on Disposition of Assets	<u>104,794</u>	<u>23,635</u>	<u>128,429</u>
Total Costs That Do Not			
Require Resources	<u>3,842,305</u>	<u>126,318</u>	<u>3,968,623</u>
Financing Resources			
Yet to Be Provided	<u>417,820</u>	<u>1,302,829</u>	<u>1,720,649</u>
Net Costs of Operations	<u>\$ 25,153,575</u>	<u>\$ 428,406</u>	<u>\$ 25,581,981</u>

The accompanying notes are an integral part of the financial statements.

INTERNATIONAL BOUNDARY & WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION

OBLIGATIONS BY PROGRAM ACTIVITIES

	<u>FY 1999</u>	<u>FY 1998</u>
SALARIES AND EXPENSES APPROPRIATION		
Administration	\$ 4,329,237	\$ 4,100,486
Engineering	2,251,909	2,939,163
Operations & Maintenance	<u>15,023,597</u>	<u>13,417,531</u>
Total Salary and Expenses Obligations	<u><u>\$ 21,604,743</u></u>	<u><u>\$ 20,457,180</u></u>
 CONSTRUCTION APPROPRIATION		
American Canal Extension Project	\$ 2,332,225	\$ 6,220,430
Amistad Dam Sinkholes Project	28,514	121,507
Boundary Preservation Project	22,311	-
Chamizal/Cordova Bridge Project	19,606	575,290
Colorado River Project	721,141	751,779
Facilities Planning Project - Region 6	5,400,580	3,448,627
Facilities Planning Project - Region 9	1,992,590	5,192,856
El Paso Sustainable Water Project	77,009	19,087
Facilities Renovation Project	420,391	228,422
Ground Water Monitoring Project	40,580	23,779
INS Bridges Construction Project	155,172	903,133
Rio Alamar Pipeline Project	81,872	-
Rio Grande Canalization Project	1,008,697	2,114,391
Clean Rivers Project	185,567	-
San Diego Reimbursement	1,677,686	2,837,177
Tijuana Sanitation Project - Mexico	384,314	-
Tijuana Sanitation Project - EPA	1,541,003	(880,573)
Laredo Sanitation Project	<u>-</u>	<u>500,000</u>
Total Construction Obligations	<u><u>\$ 16,089,258</u></u>	<u><u>\$ 22,055,905</u></u>
 TOTAL OBLIGATIONS	<u><u>\$ 37,094,001</u></u>	<u><u>\$ 42,613,085</u></u>

INTERNATIONAL BOUNDARY & WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION

CONSTRUCTION IN PROGRESS

PROJECT

American Canal Extension	\$ 37,116,526
Chamizal/Cordova Bridge	7,054,789
Facilities Renovation	1,222,236
Rio Alamar Pipeline	81,872
Rio Grande Canalization	5,472,089
Tijuana Sanitation - EPA	<u>129,591,618</u>
Total	<u>\$ 180,539,130</u>

INTERNATIONAL BOUNDARY & WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION

APPROPRIATIONS - FYs 1986-1999

<u>Fiscal Year</u>	<u>Salaries & Expenses</u>	<u>Construction</u>	<u>Total</u>
1986	\$ 11,300,000	\$ 2,257,000	\$ 13,557,000
1987	10,800,000	3,900,000	14,700,000
1988	10,261,000	3,166,000	13,427,000
1989	10,261,000	3,166,000	13,427,000
1990	10,460,000	11,454,000	21,914,000
1991	10,500,000	10,000,000	20,500,000
1992	11,400,000	10,277,000	21,677,000
1993	12,069,000	14,051,000	26,120,000
1994	11,920,000	13,680,000	25,600,000
1995	12,841,000	6,638,000	19,479,000
1996	12,044,000	6,625,000	18,669,000
1997	15,490,000	6,463,000	21,953,000
1998	17,490,000	6,463,000	23,953,000
1999	19,521,000	5,939,000	25,460,000

INTERNATIONAL BOUNDARY & WATER COMMISSION
UNITED STATES AND MEXICO
U.S. SECTION

OFFICES AND FUNCTIONS

El Paso, Texas, Headquarters - overall agency management

El Paso, Texas, Upper Rio Grande Projects - American Dam, American Canal Extension Project, Chamizal/Cordova Bridge Project, flood control, water accounting, boundary demarcation and preservation

Ft. Hancock, Texas, Upper Rio Grande Projects - flood control, water accounting, and boundary preservation

Las Cruces, New Mexico, Upper Rio Grande Projects - flood control and water accounting

Presidio, Texas, Upper Rio Grande Projects - flood control, water accounting, and boundary preservation

Del Rio, Texas, Amistad Dam and Power Plant - international reservoir - flood control, power generation, water conservation, water accounting, and boundary preservation

Eagle Pass, Texas, Amistad Dam Hydro - water accounting

Falcon Heights, Texas, Falcon Dam and Power Plant - international reservoir - flood control, power generation, water conservation, water accounting, and boundary preservation

Laredo, Texas, Laredo Sanitation Project - operation and maintenance, construction of Nuevo Laredo Sewage Treatment Plant

Mercedes, Texas, Lower Rio Grande Projects - Anzalduas Dam, Morillo Dam, Retamal Dam, flood control, water accounting, and boundary preservation

Yuma, Arizona, Yuma Hydro Office - water accounting and boundary demarcation

Nogales, Arizona, Nogales Sanitation Project - sanitation project operation and maintenance

San Ysidro California, San Ysidro Hydro and Construction Offices - flood control, water accounting, sanitation projects operation and maintenance, construction of Tijuana Sewage Treatment Plant, and boundary preservation

Washington, D.C., Special Assistant, State Department - liaison